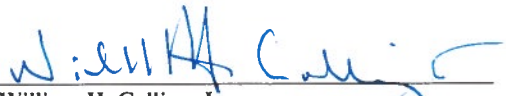
	North Carolina Department of Commerce Division of Workforce Solutions
	DWS Policy Statement Number: PS 06-2017
	Date: March 27, 2017
	Subject: WIOA Youth Formula Funds Expenditure Requirements
	From:  William H. Collins, Jr. Assistant Secretary for Workforce

Purpose: To inform local Workforce Development Boards of the requirement that Boards must meet the mandated 20% Work Experience expenditure rate for local Workforce Innovation and Opportunity Act Title I Youth formula funds and the percentage of Youth formula funds used to serve out-of-school youth must be at least 75 percent.

Background: The North Carolina Department of Commerce Division of Workforce Solutions has oversight responsibilities for the Workforce Innovation and Opportunity Act (WIOA), Public Law No. 113-128. These responsibilities include management of resources appropriated to the state to maximize use of funds to address success of workforce development efforts.

Operational implementation of the Workforce Innovation and Opportunity Act (WIOA), Public Law No. 113-128 youth program began on July 1, 2015, with all provisions taking effect July 1, 2016. Effective July 1, 2016, Workforce Development Boards are required to meet the 20 percent minimum work experience rate and minimum 75 percent out-of-school youth expenditure rate using Program Year 2016 funds, made available April 2016. Expenditure information must be reported in the Monthly Financial Report (MFR) in the Workforce Information System Enterprise (WISE).

WIOA section 129(c)(4) prioritizes work experiences with the requirement that local areas must spend a minimum of 20 percent of non-administrative local area formula funds on work experience. Under WIOA, paid and unpaid work experiences that have as a component academic and occupational education may include the following four categories: summer employment opportunities and other employment opportunities available throughout the school year; pre-apprenticeship programs; internships and job shadowing; and on-the-job training opportunities. Program expenditures on the work experience program element include wages, as well as, staffing costs for the development and management of work experiences. Administrative costs are

not subject to, nor included in, the 20 percent minimum work experience expenditure requirement.

In addition, WIOA section 129 (a)(4) states not less than 75 percent of WIOA youth funds are required to be spent on out-of-school youth. WIOA youth programs will provide a needed continuum of services to help disconnected youth navigate between the educational and workforce systems. It is critical that local Workforce Development Boards adjust and incorporate the best strategies for recruiting and serving out-of-school youth.

Though considered a transition year, beginning with Program Year 2015 funds, local Workforce Development Boards must track and report youth funds spent on work experience and the 75 percent out-of-school minimum expenditures in the NC WISE system.

Action: With the full implementation of the Workforce Innovation and Opportunity Act (WIOA) on July 1, 2016, it is expected that each Workforce Development Board will meet the 20 percent minimum work experience expenditure rate and minimum 75 percent out-of-school youth expenditure rate using PY 2016 funds.

If, at the end of the availability of Program Year 2016 Youth formula funds (June 30, 2018), Boards have not expended at least 75 percent of their non-administrative Youth funds on out-of-school youth OR have not expended at least 20 percent of their non-administrative Youth formula funds on work experience activities, then the Boards will be placed on probation status and will not be eligible to receive any WIOA Title I incentive funding or any special grant funding. The final WISE Program Year Monthly Financial Report, due in August each year reflecting expenditures through June 30th, will determine if Boards have met the required expenditure rates.

This policy will apply beginning with the two years of availability of Program Year 2016 funds and to all subsequent years in the same fashion.

For additional assistance, local Workforce Development Board Directors may contact their assigned Planner.

Effective Date: Immediately

Expiration: Indefinite

Contact: Planning & Policy Development staff